

MINUTES OF THE
MAG 9-1-1 OVERSIGHT TEAM MEETING
February 22, 2010
MAG Office Building, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

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| Steve Kreis, Phoenix Fire Department, Chair | * Harry Beck, Mesa Fire Department |
| Lawrence Rodriguez, Tolleson Police Department, Vice Chair | Mike Fusco, Emergency Management, Peoria |
| # Mark Burdick, Glendale Fire Department | * Kim Humphrey, Phoenix Police Department |
| Jesse Locksa for Ray Churay, Maricopa County Sheriff's Office | Helen Gandara, Scottsdale Police Department |
| | # Brenda Buren, Tempe Police Department |

* Those members neither present nor represented by proxy.

Attended by telephone conference call.

+ Attended by videoconference call.

OTHERS PRESENT

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| Mike Benjamin, MR 9-1-1 | Barbara Jaeger, State 9-1-1 Office |
| Patty Camacho, MAG | Tom Remes, Phoenix |
| Valerie Day, MAG | Tom Melton, Scottsdale PSAP |
| Dave Eaton, MR 9-1-1 | Tonia Rogers, Tolleson, Vice Chair of the PSAP Managers Group |
| Liz Graeber, MR 9-1-1 Administrator | |

1. Call to Order

The meeting was called to order by Chair Steve Kreis, Phoenix Fire Department, at 1:30 p.m.

2. Call to the Audience

An opportunity is provided to the public to address the 9-1-1 Oversight Team on items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Citizens will be requested not to exceed a three minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Oversight Team requests an exception to this limit. Opportunities for comment on items posted for action are provided at the time the item is heard. Chair Kreis noted that no public comment cards had been turned in.

3. Approval of the September 24, 2009, Meeting Minutes

Chief Rodriguez moved to approve the minutes of the September 24, 2009, meeting. Mr. Locksa seconded, and the motion passed unanimously.

4. Update on Funding Issues

Liz Graeber provided an update on the funding issues facing the MAG 9-1-1 System and the CENS program. She provided a packet of material and pointed out the sheet that showed the approved FY 2011 PSAP budget. Ms. Graeber called attention to the upgrades scheduled for Apache Junction, Tolleson, Rural Metro, Salt River Pima Maricopa Indian Community, and the Maricopa County Sheriff's Office, which are being jeopardized because of the 9-1-1 fund sweeps by the state.

Ms. Graeber pointed out the 9-1-1 fund sweeps that have occurred over the past few years: FY 2003, \$12 million; FY 2004, \$3 million; FY 2009, \$25 million; and FY 2010, \$8.5 million. She noted these sweeps total \$48.5 million. Ms. Graeber noted that due to these sweeps, there is the potential that there might not be funding for the 2011 upgrades. She reported that the state 9-1-1 office has informed all of the state's 9-1-1 systems that funding for upgrades will be provided on a top priority basis only. Ms. Graeber noted that the state collects \$17.5 million from the 9-1-1 tax annually, but its annual budget is \$21 million, and as a result, the state has used its reserve funds to cover costs. Ms. Graeber reported that with the continued sweeps by the legislature, only \$5 million remain in the reserve fund, and she has heard that the Governor's Strategic Planning Group wants to sweep these funds also.

Ms. Graeber stated that the Maricopa Region 9-1-1 annual budget is \$11 million. If funds are swept and the reserve fund is zeroed out, the items in the MAG budget will not be funded. Ms. Graeber pointed out another area of concern: the Arizona Administrative Code identifies that only those PSAPs that receive a minimum of 300 calls per month are eligible for state funding. She reported that three Maricopa Region 9-1-1 PSAPs do not meet the minimum – Luke Air Force Base, Wickenburg, and Fort McDowell – and the state is considering not funding their network and equipment costs.

Ms. Graeber commented that the sweeps will have a big impact on the ability of Maricopa Region 9-1-1 to provide service. She added that MAG 9-1-1 would be all right for FY 2011 if the \$5 million is not taken, but it is only delaying the problem to FY 2012. She advised that the equipment changeouts that should be done in FY 2012 will probably not happen due to the lack of funding.

Ms. Graeber reported that due to legislation, the state's 9-1-1 fund has been reduced 40 percent since the monthly excise tax was reduced from 37 cents per month per line in 2001 to 28 cents to the current rate of 20 cents per month per line.

Ms. Graeber informed members that another factor is the number of telephone customers is decreasing. She said that instead of the usual trend of the number of telephone lines increasing as people move here, lines are being lost as people move away and accounts are closed. Ms. Graeber noted that this will impact the \$17.5 million collected throughout the state from the excise tax. Ms. Graeber advised that they are awaiting a report from the state on the telephone count.

Ms. Graeber stated that the contingency plan is to look at the PSAP's needs. She said that they could consider longer life for equipment or petitioning for grants or other funding sources as options. Ms. Graeber commented that as it stands, there is the potential that only maintenance and network costs will be funded by the state funding, but no new equipment.

Chair Kreis thanked Ms. Graeber for her report and asked members if they had questions.

Ms. Gandara asked if there were any other options to preserve funding. Ms. Graeber replied that one option is to convince the Governor's Strategic Planning Office to not take the \$5 million reserve. Another option is to look at federal regulations that strengthen the ability to stop fund transfers. Ms. Graeber commented that raising the monthly tax back to 37 cents would be an uphill battle.

Ms. Gandara asked if there were opportunities to present the situation to the Governor's Office. Ms. Graeber replied that the Director of the State 9-1-1 Office contacted the Governor regarding the impact that a sweep of the final \$5 million would have on the system. She added that returning the monthly rate to 37 cents would require legislative action.

Chair Kreis asked for clarification that the call centers for Fort McDowell, Luke Air Force Base, and Wickenburg could be eliminated. Ms. Graeber replied that the Arizona Administrative Code identifies that only those PSAPs that receive a minimum of 300 calls per month qualify for state funding. She explained that the State has typically grandfathered existing PSAPs into the funding source, and new organizations wanting to qualify as a PSAP would have to meet those requirements, however, funding is scarce and the state is considering enacting the 300 call minimum requirement. Ms. Graeber added that a minimum of two PSAPs is required per 9-1-1 system. She stated that if the state decided to not fund the costs for Fort McDowell, Luke Air Force Base, and Wickenburg PSAPs, those agencies would need to pick up the costs themselves or close their center and have another 9-1-1 center receive their calls. Ms. Graeber advised that MAG 9-1-1 has not been notified officially that those centers will not receive funding, but they want to be prepared.

Chair Kreis asked where those three agencies' 9-1-1 calls would go if they no longer received funding from the state 9-1-1 fund. Ms. Graeber responded that there would be no change if the agencies chose to fund the costs themselves, otherwise, they could contract with another agency as El Mirage does.

Chair Kreis asked the monthly network cost to an agency such as Wickenburg. Ms. Graeber replied that she had requested those figures from the state but did not have them yet. She further explained that the state is in the process of getting the numbers from Qwest, because the costs are bundled. Ms. Graeber stated that the network costs to Maricopa Region 9-1-1 for wireline are \$130,000 per month and a little less for wireless.

Vice Chair Rodriguez asked for more detail on the other potential funding opportunities Ms. Graeber mentioned pursuing. Ms. Graeber replied that they will look at applying for grants, but they need to be specifically outside of 9-1-1 grants because those are available only to those agencies whose state does not sweep funds. She noted that the state had a \$1.5 million grant approved and became disqualified due to the fund sweeps. Ms. Graeber added that grants from Homeland Security might be an option, but that process has not yet opened. She stated that grants might be the way to obtain new equipment.

Vice Chair Rodriguez asked if each PSAP would need to apply on its own or the application process would be submitted regionwide through Maricopa Region 9-1-1. Ms. Graeber replied that Maricopa Region 9-1-1 would facilitate any applications. She noted that the amount of money needed for the FY 2011 equipment upgrades is \$2.3 million.

Chair Kreis asked if the equipment scheduled to be upgraded could last longer than planned. Ms. Graeber replied that the equipment has a five-year life cycle, but with good maintenance, could last longer and they might need to go to a seven-year life cycle. She explained that the Maricopa Region 9-1-1 team has taken back used equipment and refurbished it for spares. Ms. Graeber informed the committee that some equipment has already exceeded a five year life, specifically the Maricopa County Sheriff's Office, whose replacement equipment was delayed to FY 2011 from FY 2010 due to their search for a new location. She commented that the replacement of their equipment is a priority because it was installed in 2001. Ms. Graeber advised if the state does not allow funding of the Maricopa County Sheriff's Office equipment, Maricopa Region 9-1-1 will petition the state as an emergency.

Chief Burdick stated that the "Overview" material says the tax is per residence and asked for clarification if that meant per cell and land line phones. Ms. Graeber replied that was correct and the exception was PBX phones that have numerous telephone lines coming into one set.

Chief Burdick asked if Rural Metro has a 9-1-1 call center. Ms. Graeber replied that they do have a center. Chief Burdick asked if Rural Metro, a private company, provides any support for the system, since most of their transports result from calls placed to the Maricopa Region 9-1-1 system. Ms. Graeber replied that Rural Metro is a recognized PSAP. She noted that they have six positions that have been designated eligible for state funding due to their call volume, and they have 12 additional positions that are privately funded.

Chief Burdick commented that different providers, such as Southwest Ambulance or Professional Medical Transport, receive transport calls routed through the local PSAPs. He asked for clarification if this is the reason Rural Metro receives state funding and if any portion of that returns to the state fund. Ms. Graeber replied that Rural Metro is a primary first responder in some areas of the County and that is why they receive state funding. She added that they receive no state 9-1-1 funds for transport, and receive those funds only from the calls and dispatching trucks. Ms. Graeber noted that Rural Metro is the only private company that provides 9-1-1 service in the MAG system.

Chief Burdick asked if Rural Metro would have an interest in the Maricopa Region 9-1-1 system and be supportive of legislation. Ms. Graeber replied yes, they have an interest in anything 9-1-1 related.

Chair Kreis asked Ms. Graeber if she had any recommendations.

Ms. Graeber replied that she and her staff have been working with a worse case scenario if the state will only pay only for maintenance and networking costs. She indicated that they are looking at what they pay for wireline costs, which run \$5 per wireline 9-1-1 call and \$3 per wireless 9-1-1 call. Ms. Graeber stated that 60-65 percent of 9-1-1 calls are wireless, yet wireline costs take the lion's share of the budget. She indicated that the goal is to reduce the wireline costs to make them more equitable.

Ms. Gandara asked if there was something the Oversight Team could do to make this a public safety issue or to lend support for any initiative to retain the \$5 million as the bare minimum needed for the fund.

The Oversight Team discussed issuing a press release that included the fact that this year is the 25th anniversary of the region's 9-1-1 system and that it is experiencing a funding crisis. This could lay the foundation to return the excise tax to 37 cents. The intergovernmental representatives could be implemented to keep this issue in front of the cities and a fact sheet assembled.

Chair Kreis said that the Oversight Team has influence with the Homeland Security grant process and a say in how the funds are divided up in the state. He suggested that members support the Homeland Security efforts for 9-1-1 when possible. He asked Barbara Jaeger, the State 9-1-1 Administrator, if she had any suggestions.

Ms. Jaeger stated that the State 9-1-1 Office has done all it can to make the Legislature and the Governor's Office aware of the situation. She said that the grant that was lost due to the fund sweeps was to go toward implementing wireless Phase II in outlying counties, so that project is now on hold. Ms. Jaeger added that they had applied for the grant because they were not able to fund the project through the 9-1-1 fund. Ms. Jaeger commented that the transition to the Next Generation 9-1-1 network is also on hold. She expressed that she was not sure how to convince the Legislature that changes need to occur and the 9-1-1 fund needs to be left alone and at least some of the funds they took be paid back. Ms. Jaeger advised that the annual network costs alone for FY 2011 total more than \$16 million, which leaves less than \$1 million for equipment and upgrades. She said that they drafted an aging report on the equipment throughout the state and it shows that the system in Pima County is in the same situation as the Maricopa County Sheriff's Office: It is ten years old. Ms. Jaeger noted that they have a piece of equipment still in use that dates back to 1993. She commented that she was not in a position to talk about this to the Legislature. Ms. Jaeger expressed that she found it interesting that the report they submitted to the Joint Legislative Budget Committee on the wireless expenditures was approved, but they have not made any comments regarding the use of the funds or why they were swept. She reported that Secretary of State Ken Bennett has a video posted on the Secretary of State website that outlines all of the details of the deficit. Ms. Jaeger remarked that the Legislature is going to wipe out all funds by this year, and she noted that a two-thirds majority vote by the Legislature would be needed to increase the excise tax.

Ms. Jaeger suggested that another alternative for revenue is collecting tax from prepaid wireless phones, which account for 20 percent of wireless calls and currently do not pay any tax. Ms. Jaeger stated that the tax is not collected due to the methodology of tax collection, which is assessing it on an account. She said that the model would have to include a condition that the tax would be added at the point of sale, and commented that she thought a reduction in the tax revenue total is occurring due to prepaid phones.

Ms. Jaeger stated that staff have been strategizing to make the program solvent, including ceasing payment for tech refresher contracts, because if equipment is not replaced in five years, there is no financial benefit. She said that they are looking at the Administrative Code minimum of 300 calls, but no decision has been made. Ms. Jaeger remarked that the Governor says that public safety is one of her top priorities, and Ms. Jaeger thought that one of the issues is that there has not been any publicity on how this downhill spiraling of the revenue affects the state and the community.

Ms. Gandara asked if there was a timeline when a decision would be made about the sweep of the \$5 million. Ms. Jaeger replied that she did not know; she had heard about it during discussions of the FY 2011 budget.

Chair Kreis asked MAG staff to work on a draft press release. Ms. Graeber offered her assistance and suggested incorporating the 25-years of 9-1-1 in the region along with a report on the condition of the system.

Ms. Gandara suggested enlisting the support of the state's fire and police associations from a public safety standpoint and for future technologies.

Chair Kreis recapped that Ms. Graeber and MAG staff would work on a press release to show how valuable the 9-1-1 system has been over the past 25 years, and by the way, its funding has been jeopardized over the past several years and the system cannot handle more hits. He commented on ensuring there were no downsides with the media before proceeding on a PIO-type release.

5. Community Emergency Notification System Update

Ms. Graeber reported on the status of the Community Emergency Notification System (CENS). She noted that one year ago, the platform for emergency notifications changed to Reverse 9-1-1, and this reduced the cost from \$600,000 per year to \$110,000 per year. Ms. Graeber stated that the PSAPs are encouraged to use the system and a record 65 activations were launched from February 2009 through December 2009 at no cost to the agencies for the activations. Ms. Graeber expressed appreciation to the Maricopa Region GIS and maintenance staff for taking old 9-1-1 computers and refurbishing and installing them to provide a better platform for notifications.

Ms. Graeber noted that a report of the Reverse 9-1-1 notifications was at each place. She stated that a Homeland Security grant funds the system, and acknowledged that the Phoenix Fire Department and member agencies who sit on that committee have been very helpful in Maricopa Region 9-1-1 receiving those funds. Ms. Graeber advised that they have applied for a \$114,000 Homeland Security grant this year, which will allow the purchase of some hardware in addition to the network cost. She commented that the use of Reverse 9-1-1 has increased and the cost to operate it has decreased.

Chair Kreis asked Ms. Graeber to clarify that the CENS program received no state funding. Ms. Graeber replied that was correct, and she added that the state did provide some funding a couple of years ago, but the operating cost is now covered with Homeland Security grants. She explained that money is saved by the GIS and maintenance teams refurbishing and installing the equipment themselves.

Chair Kreis thanked Ms. Jaeger for her assistance in obtaining state funding to the CENS program.

6. Request for Future Agenda Items

Topics or issues of interest that the group would like to discuss or present at the next meeting will be requested.

Chair Kreis requested an update on funding issues.

7. Comments from the Committee

An opportunity will be provided for committee members to present a brief summary of current events. The Oversight Team is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

No comments from the Oversight Team were noted.

8. Adjournment

With no further business, Chief Fusco moved to adjourn the meeting, Vice Chair Rodriguez seconded, and the motion passed. The meeting adjourned at 2:15 p.m.